

M&A UPDATE

The Middle Market's Next Chapter: Attractive Setup Clouded by Geopolitical Uncertainty

March 2026



In our September 2025 M&A Update, we shared our optimism about the macroeconomic outlook through the end of 2025 and into the new year. Now, from the vantage point of 2026, we can firmly say that 2025 was a year best described as productive but unbalanced. Tariff announcements in April effectively froze the market and put processes on ice until the summer — a notable break which was then followed by an extremely strong second half of the year.

In reviewing 2025 M&A activity, we note that dollar volumes were the highest on record; however, those numbers were driven by massive, headline-grabbing deals valued at \$10B or more. What is unusual about this trend is that, historically, in market recoveries, the middle market rebounds first, leading the pack, with larger, billboard deals tending to bring up the rear. However, as the market saw over the past 12 months, that was simply not the case — while the ink was drying on massive deals, the middle market continued to lag.

One reason is that middle-market volume is heavily impacted by private equity exit activity. While interest rates have declined, they remain meaningfully above 2020–2022 levels, influencing sponsor exit math and timing. By contrast, mega-deals are often propelled by strategic imperatives, confidence in equity-acquisition “currency,” and a more advantageous antitrust backdrop. All these factors helped drive large-cap activity in 2025.

As we enter 2026, early indications suggest the middle-market sponsor exit machine is restarting. We are seeing increased pitch activity and more sponsors engaging bankers for assets that they have held longer than planned. While much of this remains anecdotal, we believe the setup for 2026 is materially stronger than it has been in the past two years.

Beyond interest rates and private equity exits, several additional themes are shaping the environment:

- **Broad-based Sector Lift** — A rising tide truly does lift all boats. While Financial Services and Technology continue to drive M&A dollar volume, the laggard Transportation & Logistics and Human Capital sectors are beginning to show renewed momentum. In the sponsor-driven middle market, Business Services, Industrials and Healthcare Services sectors remain core engines of activity.
- **Policy and Regulatory Environment** — Dealmakers continue to view the current administration's antitrust posture as more accommodating, supporting larger deals that drive dollar volume.
- **Bolstered Stock Market** — Dealmakers continue to look for the burgeoning strength of the stock market. Confidence with acquisition currency can be a major driver of market activity.

While we entered 2026 with strong momentum, geopolitical events sometimes intervene. In 2025, it was the April tariff disruption; in 2026, it is the events in the Middle East. The M&A markets recovered strongly in the second half of 2025 as the impact of the tariffs became more visible. The central question for 2026 is how long the conflict will endure and what secondary economic impacts it may produce. While we believe 2026 is poised to be a defining year, the crystal ball is cloudier amid geopolitical uncertainty.

In addition, we're pleased to share that we've expanded and strengthened our advisory capabilities through our February acquisition announcement of Matrix Capital Markets Group, a sector-focused investment banking firm founded in 1988. Since 2021, Matrix has completed more than 70 M&A transactions and has ranked No. 1 in the Downstream Energy & Convenience Retail league tables each year. The team brings deep experience in downstream energy, convenience retail, automotive aftermarket and outdoor recreation & marine, further strengthening our industry coverage and advisory platform. We're pleased to welcome Matrix to Citizens.

JASON WALLACE

Head of M&A Advisory

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EVOLUTION OF THE PLATFORM

Capital Markets & Advisory platform is a key growth driver of the Citizens franchise



Citizens Financial Group operated as U.S. division of the Royal Bank of Scotland

DCM platform formally created with senior leveraged finance bankers to complement legacy corporate bank



Acquired Cleveland-based advisory firm to establish M&A capabilities

Specialized focus in consumer, distribution, healthcare and industrial bank



Internal development of high yield and investment grade bond sales & trading platform

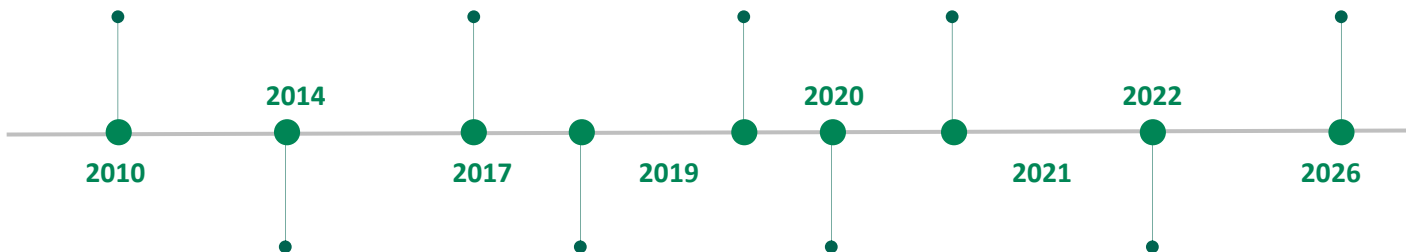


Acquired San Francisco-based investment banking firm adding equity capital markets capabilities

M&A advisory, equity research, and sales and trading for healthcare, technology, financial services and real estate



Citizens entered into a definitive agreement to purchase all the assets of Matrix Capital Markets Group, Inc.



Citizens Financial Group formally separates from RBS and becomes a publicly-traded U.S. bank

Leading DCM platform with established sector-focused corporate finance practice, financial sponsor coverage and loan sales & trading platform



Acquired Atlanta-based M&A advisory firm to broaden scale and sector coverage

Specialized focus in business services, healthcare services and software



Acquired Los Angeles-based M&A advisory firm

Specialized focus in restaurant, retail, food & beverage and agriculture



Acquired New York-based M&A advisory firm

Specialized focus in Digital infrastructure, software, IT services and communications

Citizens Financial Group Adds to Advisory Capabilities with Acquisition of Matrix Capital Markets Group: **Deal strengthens coverage of Downstream Energy & Convenience Retail sector.**

Matrix Capital Markets Group, Inc., is a market-leading advisory firm in the Downstream Energy & Convenience Retail sector, with additional expertise and proven success in the Automotive Aftermarket and Outdoor Recreation and Marine sectors. **This transaction further strengthens Citizens sector-focused advisory capabilities.**

Founded in 1988, Matrix has its headquarters in Richmond, VA, and a second office in Baltimore, MD, as well as bankers based in Cleveland and Atlanta, and serves clients across the United States. With a focus on advising convenience retailers, wholesale fuels distributors, propane and heating oil distributors, and lubricants distributors, Matrix is the market-leading advisory firm in the Downstream Energy & Convenience Retail sector. Since 2021, Matrix has completed more than 70 M&A transactions and has ranked No. 1 in the league tables in the sector each year.



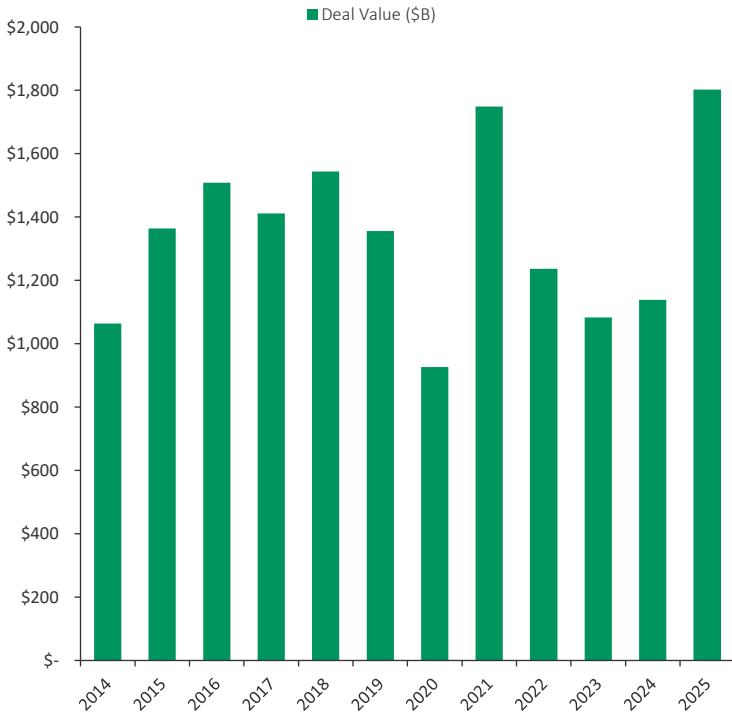
Citizens shares Matrix's intense passion for offering robust and customized advisory capabilities with deep sector expertise, as well as Matrix's commitment to delivering exceptional client solutions and service. Joining Citizens provides Matrix a proven and growing platform to provide a broader set of tailored advisory services and capital solutions to clients.

– Spencer Cavalier, Co-Head Matrix's Downstream Energy & Convenience Retail Banking Team

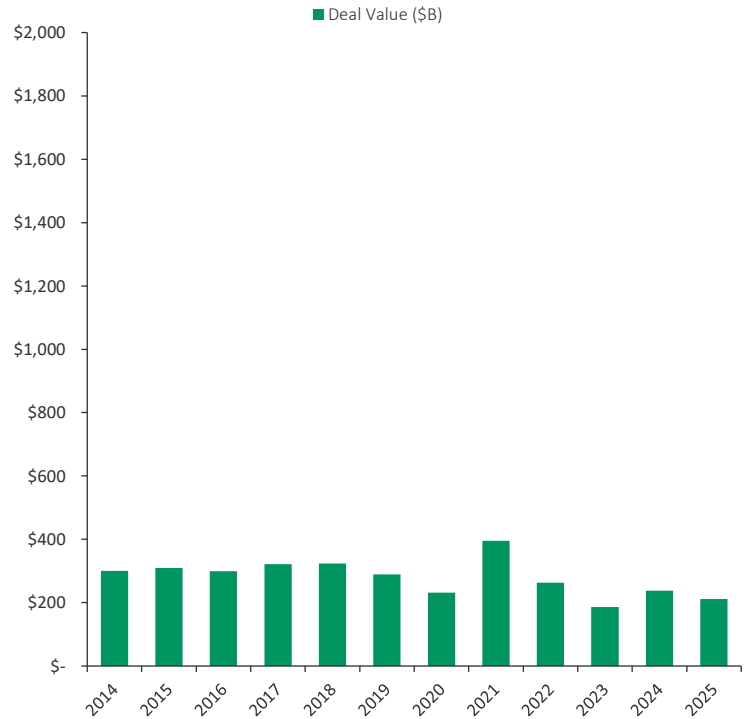


MARKET UPDATE

TOTAL U.S. M&A ACTIVITY ⁽¹⁾

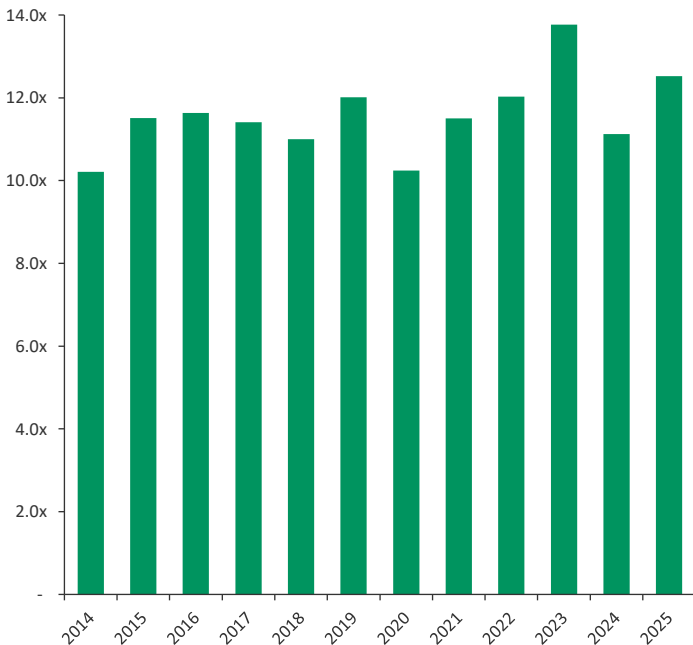


U.S. MIDDLE-MARKET M&A ACTIVITY ⁽¹⁾



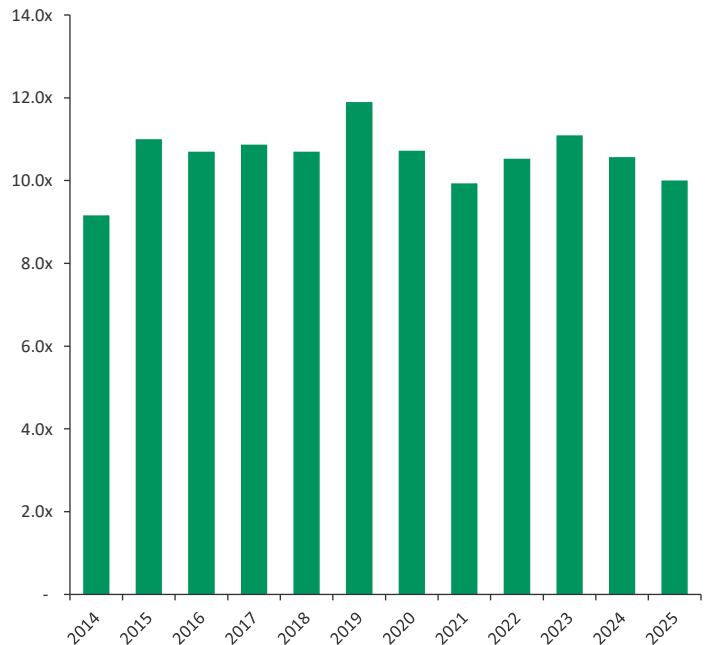
MEDIAN U.S. M&A DEAL MULTIPLES

TEV / EBITDA



MEDIAN U.S. MIDDLE-MARKET M&A DEAL MULTIPLES

TEV / EBITDA



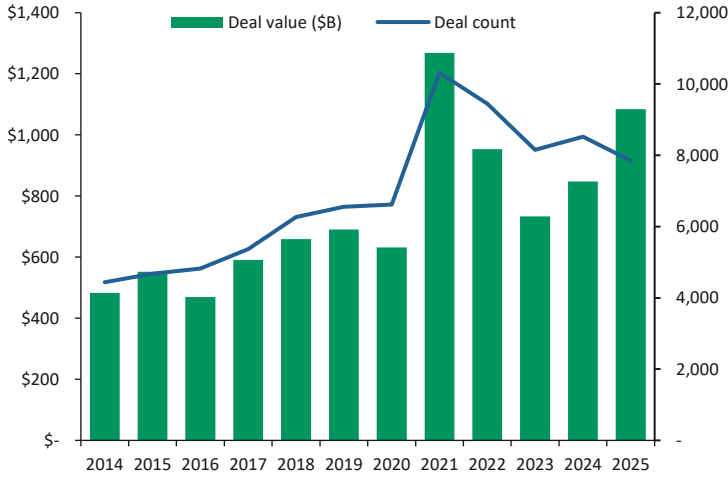
Source: Pitchbook

¹⁾ Displayed deal activity for the broader U.S. market excludes all deals with non-publicly disclosed valuations

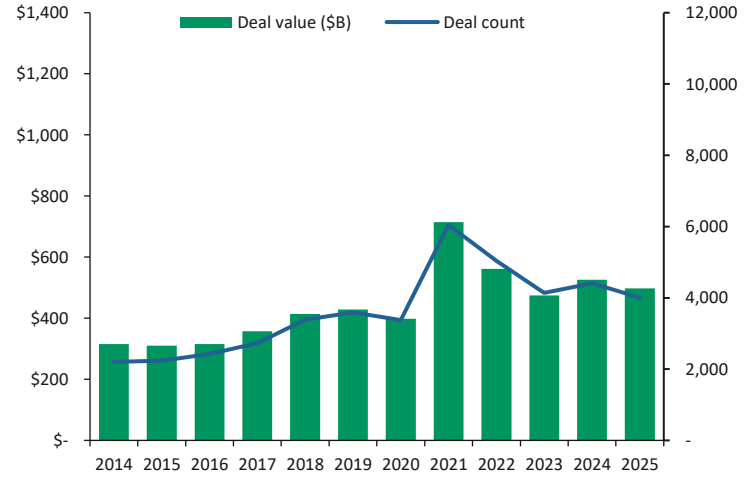


PRIVATE EQUITY MARKET UPDATE

TOTAL U.S. PRIVATE EQUITY ACTIVITY

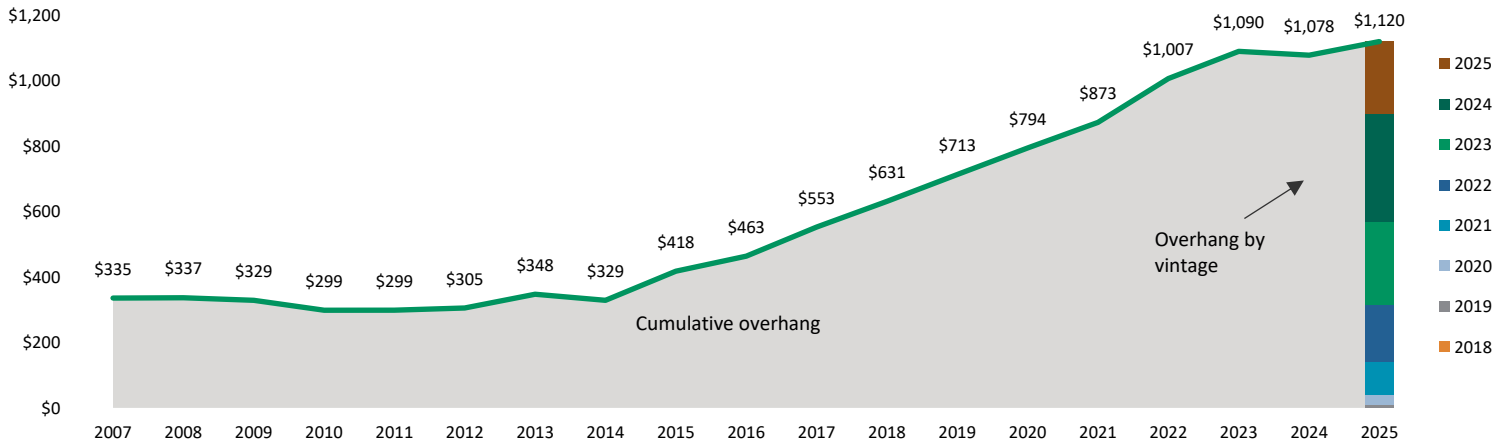


U.S. MIDDLE-MARKET PRIVATE EQUITY ACTIVITY



U.S. PRIVATE EQUITY CAPITAL OVERHANG

Capital overhang (\$B), by vintage, size bucket



U.S. PRIVATE EQUITY COMPANY INVENTORY

Overall PE portfolio inventory





CITIZENS M & A DEAL SPOTLIGHTS

SECTOR: COMMERCIAL & INDUSTRIAL SERVICES

Citizens Serves as Exclusive Financial Advisor to MSHS Pacific Power Group on its Sale to Industrial Service Solutions

DEAL HIGHLIGHTS

- Industrial Service Solutions is a portfolio company of Wynnchurch Capital.
- MSHS Pacific Power Group is an independent provider of comprehensive maintenance, repair and overhaul solutions for power and propulsion applications in the power generation, marine and national security industries.
- MSHS Pacific Power Group was a previous portfolio company of MPE Partners, a Cleveland- and Boston-based private equity firm.
- During its partnership with MPE, the company grew organically and expanded its geographic footprint through the strategic combination of MSHS and Pacific Power Group and enhanced its service capabilities across critical end markets.

“Citizens provided invaluable support and significant leverage to the MSHS Pacific Power Group management team throughout the transaction process. Citizens assembled and led a great team with knowledge of the industry, market dynamics and deep buyer relationships, which proved vital in finding the best partner for our business.”

– David Santamaria, CEO, MSHS Pacific Power Group




SECTOR: HEALTHCARE

Citizens Advises Ramp Health on its Acquisition by Vitality Group

DEAL HIGHLIGHTS

- Ramp Health is a comprehensive, technology-enabled health and safety risk mitigation solutions provider.
- Vitality Group is a subsidiary of Discovery Limited.
- Ramp Health’s suite of products and services empowers member populations to take ownership of their holistic healthcare needs through a high-tech, high-touch approach.
- Ramp Health’s services will be significantly expanded through Vitality’s global brand and reputation for health and wellness innovation, while adding enhanced coaching and risk mitigation capabilities for Vitality in adjacent markets, such as occupational health and safety.

“We value Citizens tireless work in driving a successful outcome for all of our stakeholders. They are the type of advisor who never stops putting in the effort until the best possible result is achieved.”

– Rob Putnam, Co-Founder & CEO, Ramp Health






CITIZENS M & A DEAL SPOTLIGHTS

SECTOR: TRANSPORTATION & LOGISTICS

Citizens Advises Greenbriar Equity Group on its Strategic Partnership with AIT Worldwide Logistics



DEAL HIGHLIGHTS

- Greenbriar is a specialist investor with more than \$15 billion in cumulative capital commitments and more than 25 years of experience partnering with market-leading companies, including extensive experience investing across the logistics sector.
- Chicago-based AIT Worldwide Logistics is a global freight forwarder with over 150 locations globally, including Asia, Europe, the Middle East and North America.
- For more than 45 years, AIT has relied on a consultative approach to build a global network and trusted partnerships in nearly every industry, including aerospace, energy, high-tech, home delivery, life sciences, marine and more.

“The Citizens Transportation and Logistics team served as a trusted advisor to Greenbriar throughout this process. Their professionalism, sector expertise and disciplined execution helped bring this transaction to a successful outcome. We appreciate their partnership and commitment.”

– Michael Wang, Managing Director, Greenbriar Equity Group

SECTOR: COMMERCIAL & INDUSTRIAL SERVICES

Citizens Advises H.T. Harvey & Associates on its Sale to Integral Consulting, a Portfolio Company of Imperial Capital



DEAL HIGHLIGHTS

- Founded in 1970 around the principle of scientific excellence, H. T. Harvey is widely recognized for its ecological expertise supporting environmentally sensitive projects throughout California and Hawaii.
- The firm offers a comprehensive suite of services, including environmental analysis, permitting, ecological restoration and research, landscape architecture and planning, compliance support and conservation planning.
- The company has experienced consistently strong organic growth while strengthening its reputation as a go-to expert ecological consulting firm.

“The Citizens team was a trusted advisor throughout the process, bringing deep sector expertise and senior-level attention. Their strategic guidance and relationships helped us achieve an excellent outcome for our team and the future of H.T. Harvey & Associates.”

– Dan Duke, President, H.T. Harvey & Associates



CITIZENS M&A DEAL SPOTLIGHTS

SECTOR: COMMERCIAL & INDUSTRIAL SERVICES

Citizens Serves as Exclusive Financial Advisor and Debt Placement Agent to Impact Property Solutions on its Acquisition of Interior Logic Group’s Property Services Division




 A PORTFOLIO COMPANY OF

ACQUIRED

 A PORTFOLIO COMPANY OF
Blackstone
 NOVEMBER 2025



DEAL HIGHLIGHTS

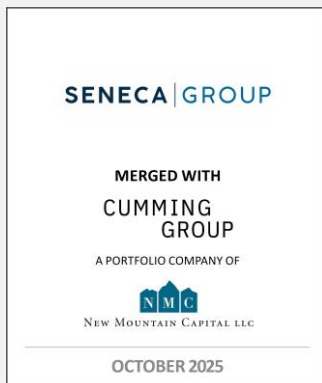
- Impact, a provider of quick-turn flooring and countertop replacement services to multifamily property owners and operators across the southern United States, is a portfolio company of Blue Sage Capital.
- Interior Logic Group’s Property Services Division is a national provider of quick-turn flooring replacement services to multifamily, single-family rental and senior living properties.
- ILG is a portfolio company of Blackstone.
- The combination of Impact and ILG’s Property Services Division creates one of the largest providers of quick-turn flooring replacement services to multifamily communities in the U.S.


“The Citizens team brought a high level of sophistication and commitment to this transaction. Their expertise of our industry and support in the capital markets was critical in structuring a successful outcome that aligns with our long-term growth strategy. Together, Impact and ILG Property Services are uniquely positioned to provide our clients with exceptional service quality and reliability.”

– Will Speicher, CEO of Impact

SECTOR: REAL ESTATE

Citizens Advises Seneca Group on its Merger with Cumming Group



SENECA | GROUP
 MERGED WITH
CUMMING GROUP
 A PORTFOLIO COMPANY OF

NEW MOUNTAIN CAPITAL LLC
 OCTOBER 2025



DEAL HIGHLIGHTS

- Seneca Group is a leading real estate advisory and development management firm with a proven track record of delivering complex projects for top-tier clients.
- Cumming Group is the largest pure-play project management and cost consultancy in North America.
- Established in 1992 and headquartered in Seattle, with offices in Nashville and Washington, D.C., Seneca Group specializes in guiding organizations across the corporate, healthcare and education sectors through every stage of development— from strategy to execution.
- This enhanced regional and international presence strengthens Cumming Group’s ability to serve blue-chip clients with deeper local expertise, backed by the firm’s full suite of project management, cost consulting and advisory services.



CITIZENS M & A DEAL SPOTLIGHTS

SECTOR: GAMING & LEISURE

Citizens Advises Bally's Corporation on the Sale of Bally's International Interactive to Intralot for €2.7 billion




DEAL HIGHLIGHTS

- Citizens also served as joint global coordinator on Intralot's €900 million senior secured notes issuance.
- The transaction creates global iGaming and lottery leader and delivers significant liquidity to Bally's including €1.530 billion of cash and valuable Intralot equity stake.
- With the completion of the transaction, Bally's became the majority shareholder of Intralot and will continue to play an active role in shaping the strategic direction of the combined entity.

"This is a milestone transaction for Bally's. We have unlocked significant liquidity in a key asset while establishing an even stronger platform for digital growth. Our shareholders now have visibility into the value of our interactive division as part of a larger, globally scaled operator. Intralot's lottery expertise and reach, combined with Bally's International Interactive's proven digital capabilities, creates a powerful foundation for expansion over the long term."

- Robeson Reeves, CEO, Bally's

SECTOR: COMMERCIAL & INDUSTRIAL SERVICES

Citizens Serves as a Financial Advisor to Pave America on its Acquisition by AEA Investors and BCI




DEAL HIGHLIGHTS

- Pave America was previously a portfolio company of Trivest Partners and Shoreline Equity Partners.
- Headquartered in Virginia, Pave America is a provider of asphalt and concrete solutions, including maintenance, repair, milling, striping and sealcoating services.
- With a large self-perform employee base and outsourced vendor network, Pave America has grown to become the largest maintenance-focused pavement services provider in the U.S.
- The company's strong track record of organic growth and robust acquisition capabilities has established it as the acquirer of choice in a fragmented market.

"The Citizens team has been a trusted partner to Pave America for many years, providing strategic guidance across multiple transactions and growth initiatives. Their deep expertise and unwavering commitment to achieving the best outcome for Pave America have been instrumental in helping us achieve our long-term goals. We are grateful for their continued partnership and look forward to building on our success."

- Tom York, CEO, Pave America

Note: The testimonials presented are applicable to the individuals depicted and may not be representative of the experience of others. The testimonials are not paid and are not indicative of future performance or success.



SUBSTANTIAL MOMENTUM WITH PRIVATE EQUITY

SELECT RECENT CLIENTS



RECENT SPONSOR-RELATED M&A TRANSACTIONS










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AT-A-GLANCE – CITIZENS M&A ADVISORY ¹

<p>130+ Professionals</p>	<p>9 Offices</p>	<p>9 Sectors of Focus</p>	<p>\$10 – \$150M Client EBITDA</p>
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INTEGRATED SECTOR COVERAGE AND EXPERTISE

<p>AEROSPACE, DEFENSE & GOVERNMENT SERVICES</p> <ul style="list-style-type: none"> • Air, Land, Sea and Space Platforms • Commercial Aerospace • Defense Technology and Solutions • Engineering and Technical Services • IT Services and Software 	<p>BUSINESS SERVICES</p> <ul style="list-style-type: none"> • Business Process Outsourcing • Commercial & Industrial Services • Data & Analytics • Human Capital Management • Tech Services 	<p>CONSUMER</p> <ul style="list-style-type: none"> • Consumer Products and Services • Downstream Energy & Convenience Retail • Food and Beverage • Restaurants & Multi-Unit Retail 
<p>FINANCIAL SERVICES</p> <ul style="list-style-type: none"> • Alternative Asset Managers & Broke-Dealers • Commercial & Consumer Finance • Commercial & Residential Mortgage Finance • Insurance & InsurTech • Registered Investment Advisors 	<p>REAL ESTATE, GAMING, LODGING & LEISURE</p> <ul style="list-style-type: none"> • Gaming & Lodging Operators • Gaming Technology • Marinas • REITs • Real Estate • Vacation Ownership & Leisure 	<p>HEALTHCARE</p> <ul style="list-style-type: none"> • Biotechnology • Healthcare Services • Healthcare Technology • Medical Devices and Products • Pharma / Provider Services 
<p>INDUSTRIALS</p> <ul style="list-style-type: none"> • Automation • Building Products • Distribution • Equipment • Paper & Packaging 	<p>TECHNOLOGY & COMMUNICATIONS</p> <ul style="list-style-type: none"> • Communication Infrastructure and Technology • Electronic Security • Financial Technology & Services • Software 	<p>TRANSPORTATION & LOGISTICS</p> <ul style="list-style-type: none"> • Leasing • Logistics • Niche Transportation • Ports and Infrastructure • Trucking 

1.) Source: Refinitiv LPC and Citizens